

# Montana State Library

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# Industrial Horizons



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## G. E. WELLS WHAT STATE WILL GET FROM INDUSTRY

For Wells, president, General Electric president, the recent meeting of the American Municipal Association outlined the following requirements to be met by industry and themselves industrially at local level:

1. Comprehensive, down-on-paper planning that provides for growth, is flexible, provides long-range capital improvements, budgeting, and assures a fair tax burden distribution.

2. A progressive, wide-minded attitude among elected representatives of the community at the local, state, and national level.

3. A good quality and quantity of people showing evidence of progress in raising general and vocational education standards and facilities.

4. The presence of "industrial neighbors-to-be" who contribute to charities and other municipal needs with no bargains asked.

5. An aggressive leadership in the mayor's or city manager's office.

ASPCA Affairs.

## DEVELOPMENT CONFERENCE WELL ATTENDED, DISCUSSIONS LIVELY

A total of 530 people registered at the state-wide Community Development Conference in Butte January 23-24, to talk over the state's potential and how to take advantage of it.

This made the conference the largest industrial development gathering ever held in Montana, so far as is known.

## PLANNING FILM AVAILABLE

"How to Plan a Community" is the title of a city planning film available for free showing from the State Planning Board.

Produced by the Atlanta, Georgia, Chamber of Commerce to publicize Atlanta's master plan, the film demonstrates very clearly urban growth problems and what can be done about them. The film shows, for instance, how through traffic on residential streets depreciates property values, and how each element of the city—traffic, schools, parks, industrial areas, downtown district—is connected with all the others.

The film is 25 minutes long, and is in sound and color.

Several noteworthy features about the conference were evident:

• **Many different interest groups attended:** businessmen, labor representatives, legislators, city and county officials, Chamber of Commerce executives, members of local planning boards, college professors, farmers. All were united in the theme of the conference—strengthening our communities so all citizens will prosper.

• **An Integrated Approach to Community Problems:** city planning, attracting new industries, helping local business, making our cities better places to live—all these are aspects of the same approach. Although different people are involved in each aspect, all are united in a desire to make possible a better life.

• **Selling a Community is More Than Mere Advertising:** research and imagination are necessary to realize what is saleable. Speeches by Montana State University personnel and by out-of-state experts emphasized the importance of a factual campaign.

• **Lively Discussion Periods:** people from all over the state, from big towns and small, all participated liberally in the open forums devoted to ways of financing new industry and to techniques of city planning.

• **Successful Communities in Montana:** no need to go very far to get inspiration. Glendive man told of his successful industrial survey. Columbus and Havre men related the steps in their successful efforts to get a local industry started. Citizens from Billings, Butte, Great Falls, and Bozeman told about their city planning programs. In other words, we are now able to base our community development efforts on actual experiences. It isn't just theory any more; it's a fact.

## Proceedings Available

The six main speeches of the conference are being reprinted in the January and February issues of "Montana Business Review," published by the Bureau of Business and Economic Research at Montana State University, Missoula. Names will be placed on the mailing list for this free monthly upon request to the publisher.

In addition, copies of the complete Proceedings of the Conference are being prepared by MSU, and will be available free by March 1 from the State Planning Board in Helena. Copies will automatically be sent to all registrants at the conference.

## DR. E. J. WELLS, PRESIDENT, T. F. ROY AND C. H. CHAMBERS

Left: Dr. E. J. Wells, president of the State Planning Board; Dr. E. J. Wells, field manager for U.S. Department of Commerce; Stuart H. Smith, Director of Industrial Planning, Missouri; Major V. D. Donnelly, Major R. C. Peterson, Boise, chairman of the State Planning Board's Advisory Council; Dr. Randall T. Lorraine, Omaha, Director of Research and Development for Southern Natural Gas Company; and C. H. Raymond, Hamilton, member of State Planning Board.

Back row: Perry S. Roys, Helena, director of State Planning Board; A. J. Mosby, Missoula, member of the Advisory Council; E. M. Whittington, manager of Great Falls Chamber of Commerce; Dr. Morgan D. Thomas, Missoula, Montana State University; James A. Conner, Helena, member of the Advisory Council; and Dr. E. J. Chambers, Missoula, Montana State University.

Roys and Chambers were co-chairmen of the event.

photo courtesy, Montana Standard

# Glendive Economy Based On Oil, Farms, Trains

By John M. Cross, Chairman  
Industrial Development Committee  
Glendive Chamber of Commerce

**FD. NOTE**—This is the first of a series of articles on the economies of various communities in Montana. The articles are written by local industrial development people.

Glendive is the county seat of Dawson County and is situated on the east bank of the Yellowstone River. It is geographically located in the center of the Williston Oil Basin and the rich inland agricultural empire of Eastern Montana and Western North Dakota.

Glendive is situated as the hub of transportation for Eastern Montana and Western North Dakota. Highway No. 10 reaches out to the east and southwest of Glendive. Highway No. 18 reaches through central Montana to the north and west and Highway No. 16 reaches out to the north connecting with Highway No. 2 at Williston and Highway No. 85 at Alexander, North Dakota. It is a division point for the Northern Pacific Railroad. Feeder lines reach out from Glendive to Circle, Richey, Fairview, and Williston.

## Oil Brought Growth

Prior to 1951 Glendive was almost entirely dependent upon agriculture and railroad payrolls. In 1951 oil was discovered in the Glendive portion of the Williston Basin. The population of Glendive doubled almost overnight. In the early days of the oil discovery the atmosphere in Glendive was electric. It was sparking with speculation and enthusiasm for the future of oil. It appeared at that time that almost anyone owning minerals would become wealthy on oil. This period of speculation is now past. The oil industry of Glendive has settled down and may now be considered a basic and stable industry.

Shell Oil Company and the Texas Company have been the main producers in the Glendive portion of the Williston Basin. There are at present 77 deep-oil-well drilling rigs operating in the immediate area of Glendive plus numerous work-over rigs, oil well service company, oil well trucking contractors, oil well construction contractors, machine and repair shops, etc.

Shell Oil Company alone has about 315 producing wells in the Glendive area of the Williston Basin. Eastern Montana now produces about 60% of all oil produced in the State of Montana. In checking on the future of oil in Eastern Montana we believe that we have a right to optimism. C. M. Bailey, District Geological Superintendent of Shell Oil Company, has said, "Prospects for additional exploration work in Eastern Montana appear to be good at the present time."

## Oil Transportation Center

Glendive is a division point for the Northern Pacific Railroad in Eastern Montana. It is a division point for the Northern Pacific Railroad and part of the Northern Pacific Railroad. The fact that it is a division point for the Northern Pacific Railroad is a fact.

ation of locomotives has caused some reduction in the railroad shop. However, the Northern Pacific Railroad will always be a major contributor to our economy.

## Agriculture Important in Area

Agriculture has always been a dominant factor in the economy of Glendive. Within a radius of 100 miles, which Glendive serves, there is an inventory of 1,000,000 head of cattle, 600,000 head of sheep and 100,000 head of hogs. There is produced in this area per annum 5,000,000 lbs. of wool, 28,000,000 bushels of wheat, 13,000,000 bushels of barley and oats, and 365,000 acres of corn used for feed. Feeder operations in Glendive are on the increase. The Metabe Company is a feed distributor for this area and in Glendive has a pelleting plant with a 100-ton per-day capacity.

Recently Pacific Vegetable Oil Corporation and General Mills have entered into the development of a safflower crop in this area. This crop has received the enthusiastic support of farmers in the area surrounding Glendive. There is promise that a safflower processing plant will be built to process the 1958 crop. The Glendive Chamber of Commerce has played an active part in the establishment and expansion of industry.

## Industrial Brochure

The Industrial Development Committee of the Glendive Chamber of Commerce has prepared a brochure on Glendive and has distributed some 500 copies to prospective industries. The Industrial Development Committee has contacted many industries and spent many hours with their personnel in an attempt to get them to locate here.

## N. P. Shops

Glendive got its start in 1881 when the Northern Pacific Railroad reached here and crossed the Yellowstone River. The Northern Pacific Railroad has maintained a strong position in the Glendive economy since that date. It has maintained its shop, roundhouse and division headquarters here ever since. The diesel-



Sale Day at Glendive Auction Company

We have furnished information to the Hill Packing Company of Topeka, Kansas, on the possibility of locating a horse-meat packing plant at Glendive. Recently for Pacific Vegetable Oil Corporation and General Mills we have prepared a map showing diverted wheat acreage and average growing season for all the counties in Eastern Montana, and Western North Dakota. We have also submitted information to them on possible plant sites and have offered them our full co-operation.

#### Organization for Development

The Industrial Development Committee has set up a sub-committee for the purpose of investigating the matter of forming an Industrial Development Corporation. More progress will be made on this in 1958.

The Industrial Development Committee has encouraged prospectors to search for alumina-bearing clays. This is a long term program. However, we have had amazing success considering the short time that it has been investigated. We have received reports of clay deposits containing as high as 21.8% alumina oxide. The best information that we can get indicates that this is a commercial grade ore. We have not investigated the actual deposit. We have been told that it is very large.



Tank Farm, Glendive Terminal Oil Basin Pipeline

#### PAMPHLETS AVAILABLE

Three new community development pamphlets are available from the State Planning Board:

1. **PLANNING OUR CITIES—A GUIDE TO THE ORDERLY DEVELOPMENT OF MONTANA COMMUNITIES.** Gives procedure for forming city-county planning boards under 1957 legislation. Also gives helpful advice on starting a planning program, and how to pay for it.

2. **MONTANA LOCAL PLANNING LEGISLATION.** Reprint of 1957 law in convenient pamphlet form.

3. **THE COLUMBUS SUCCESS STORY.** Reprint of an article from the "Billings Gazette" giving the complete story of how Columbus citizens got the Timberweld factory.

Copies of these booklets are available in quantity from the State Planning Board, Sam W. Mitchell Building, Helena.

## Municipal Services Necessary for City Growth, Industries

One of the most important prerequisites for new industry is adequate municipal services.

Only the largest firms can afford to install their own water, sewage, and street systems. Therefore, the greatest majority of manufacturing establishments are dependent on local government to provide these necessary services.

And these governmental services are, in turn, dependent on public support of bond issues and other financing methods.

#### Services Necessary

Public works such as sewage disposal plants and water filtration facilities should be looked at as INVESTMENTS in the community's future, not merely as COSTS. Given efficient administration of special improvement districts and of public works, the amount invested is small in relation to the services gained. Today's communities must have these services, for they are a part of the modern living all citizens have come to expect.

Industry especially is concerned about adequate public services. Generally, if the services are efficiently administered, industry does not mind paying its fair share of these improvements. In fact, it must have them to continue successful operation.

Each Montana community has to decide what it wants to be. If you think your town can stay the way it is, you must be willing to face the consequences: declining population, lowered tax base, increased per capita cost of public works, lack of job opportunities, declining retail businesses. For industry will not come in where there is no assurance of steady services.

This is not to say that all bond proposals should automatically be voted in. On the other hand, several Montana communities at the present time are unable to provide water and sewer service to new subdivisions because of inadequate facilities. Does this show a faith in the town's future? It's only reasonable to assume that a town's growth will be hindered without services. The growth will go elsewhere.

#### City Planning

Public works are only one phase of a city planning program, which every growing community should have. Efficient planning for new services should be correlated with population projections, anticipated industrial growth, expected building trends, and land use-zoning studies. Another element of this planning program is a capital improvements priority plan. No city can build everything at once—it would go broke. But there must be some plan of action set up, or else nothing will be built.

Municipal services, then, are necessary for industrial growth.

Before pursuing new industry, though, a city should make sure those already there are getting good service.

## Forest Roads Important To Timber Resource Development

The rate of construction of forest highways and roads is a major factor in full development of Montana's timber resources in the state's National forests. Perry Roys said in a prepared statement at the public hearing of the United States Senate Subcommittee on Public Roads held in Missoula on December 14.

Roys, Director of the Montana State Planning Board, in his appearance at the hearing represented Montana's interest in the apportionment of federally appropriated funds among the states for forest highway construction, and urged a speedup of access roads into timber areas so that development of the state's timber industry can keep pace with growing national demands. In a three part conclusion to his 1-page statement, he said:

#### National Timber Shortage

(1) In the face of impending national shortages of timber products, it is not timely or economic to reduce highway and road construction funds either by formula or by appropriation.

#### Proposed Formula Arbitrary

(2) Apportionment of funds for forest highway construction from a formula based 75 per cent on acreage and 25 per cent on value is arbitrary and does not reflect needs on either a regional or national basis. An allocation of funds which would take into account the presence or absence of forest highways in relation to timber volume and acreage would more fairly reflect needs by reducing the tendency in the present formula to allocate funds to those regions already having the most highly developed transportation networks.

#### Roads Vital to Forest Use

(3) An accelerated program for the construction of forest development roads is most urgently needed to provide access to undeveloped commercial areas if growing national requirements for timber products are to be fulfilled in the most economic manner possible. Appropriations should therefore be increased sufficiently to finance a comprehensive and orderly plan for the wise and economic development of forest lands presently established for commercial use.

The hearing in Missoula was one of five hearings being held in western states by the Public Roads Subcommittee to discuss forest highway and forest development road problems. Senator Albert Gore of Tennessee, Chairman of the Subcommittee, presided at the hearing. Others who testified included Representative Lee Metcalf of Montana, National Forest officials, and representatives of local Chambers of Commerce.

Efforts to lessen the impact on the town of Sunburst of transfer of the Texas Company's operations to the West Coast are continuing. Texas officials are meeting with Mayor Rolland White, local citizens, and State Planning Board representatives in an effort to find new uses for the abandoned petroleum refinery, and to develop other sources of employment in the area. Also being discussed is maintenance of city services in face of declining tax base.

## Business Growing Tempered By Unemployment

Two years ago, Montana's business was growing at a moderate rate, but the unemployment problem has tempered this growth.

First, the U. S. Bureau of Economic Analysis reports that Montana's business was growing at a rate of 9.3 per cent in 1957, compared with 9.5 per cent in 1956. This is a significant improvement over the 1955 rate of 8.2 per cent. The 1957 rate is also a significant improvement over the 1956 rate of 7.8 per cent.

The second source of optimistic comment is the Montana Chamber of Commerce. Based on a survey of 127 manufacturing and service businesses in Montana in 1957, the chamber reports that the number of businesses increased 13 per cent in two years.

Larry Nelson, Montana manager for Dun & Bradstreet, points out that during 1957, 7,847 new jobs were added, including 2,030 new jobs in manufacturing businesses. The 1957 rate of 9.3 per cent changes in ratio of output to cost of production.

### Unemployment

These optimistic items are, however, contrasted with the fact that the unemployment rate in Montana is 10.1 per cent. The State Unemployment Commission's commission reports 21,500 unemployed persons and seeking jobs. The unemployment rate is 10.1 per cent, compared with 9.3 per cent in 1956. The unemployment rate in Montana is 10.1 per cent, compared with 9.3 per cent in 1956. The unemployment rate in Montana is 10.1 per cent, compared with 9.3 per cent in 1956.

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## Montana's Cheese—Where Is It?

Where does Montana's cheese go? Why is it nearly impossible to find Montana cheese in Montana stores?

These questions get to the heart of the marketing problems of several of the state's agricultural products.

The Montana Department of Agriculture estimates that 3,775,000 pounds of cheddar cheese were produced in the state in 1957. Most of this is made from "manufacturing" milk produced in Gallatin, Lake, and Ravalli counties. Nearly 92 per cent of all Montana cheese is produced in Stevensville for shipment to California markets. In fact, over 90 per cent of Montana cheese is shipped out of the state, according to Thomas McMaster, Chief of the Dairy Division of the State Department of Agriculture.

### Imported Cheese Consumed

However, McMaster adds, Montanans eat approximately the same amount of cheese as the national average—5 lbs. of natural cheese per person per year. This is around 3,250,000 pounds of cheese per year, nearly the amount exported from the state to California markets.

Most of the cheese Montanans eat is imported, already packaged, from the Middle West. Of course, an added freight cost is included in the retail price Montana consumers pay, but this is balanced by the lower costs of a national sales organization, combined with national advertising, which the large dairy processors in the Middle West have built up.

What are some of the factors involved in an expansion of Montana's cheese industry?

1. **Milk Supply**—most areas of the state are milk-short. "Manufacturers" milk, often is difficult to acquire since all available milk goes in "table" milk.

2. **Quality Control**—Montana farmers must produce consistently good milk. Dairy processors must maintain a quality product consumers will buy. The State Department of Agriculture is instituting a "Montana Quality" label to attach to all good Montana cheese.

3. **Marketing**—Montana cheese producers must get their product before the consumer.

4. **Education**—Montanans must be taught to buy Montana cheese.

With the expansion of West Coast markets, Montana agriculturists have an opportunity to increase production. But this does not mean they should ignore home markets.

After all, Montana citizens deserve Montana cheese, which is just as good as any other cheese.

## Sanders Group Promotes Region

One of the state's largest development groups in area is the newly-formed Sanders County Chamber of Commerce.

The new organization is a cooperative effort by three local Chambers, those of Plains-Paradise, Hot Springs, and Thompson Falls-Noxon, according to Mrs. Helen Weismandel, the group's capable secretary.

Formed "to promote tourism, recreational and industrial development, and economic betterment in the county," the group plans to concentrate on expansion of local wood products industries, better fishing, highways, and state parks.

### Lumbering Important

The county is largely mountainous. Nearly 40 per cent of the labor force is engaged in lumbering, and this is where much of the area's potential lies. An increasing variety of wood products is being produced—treated poles and fence posts, molding, rods, for instance. The area is hopeful of attracting a paper pulp mill in the near future to utilize sawmill wastes now being burned.

Nucleus of the new organization is the Thompson Falls-Noxon Chamber, whose 77 members from 8 communities stretch along Highway 10A for 65 miles. The Chamber currently is preparing a loose-leaf industrial survey for distribution to firms interested in the wood products field.

Organization of regional development groups is a big step forward in Montana. There are some things which can be done best by cooperative effort.

## What Do You Think of INDUSTRIAL HORIZONS?

Is there sufficient variety of topics? The editors want to give as complete a picture as possible of Montana's economy. This includes manufacturing, agriculture, tourism, mining, and forestry, as well as city planning.

The editors are open to suggestions from readers on what should be included in the newsletter.

Also, INDUSTRIAL HORIZONS is sent free to anyone who wants to be put on the mailing list. If you know anyone that might enjoy this monthly publication, let us know.

## MONTANA STATE PLANNING BOARD

Sam Mitchell Building

Helena, Montana

Reports on local business appearing in this publication do not constitute an endorsement of, or approval by, the board of its products. Statements in this newsletter do not reflect board action unless such action is reported.

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